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AZ CORP COMMISSION  
DOCKET CONTROL

May 15, 2007

**VIA OVERNIGHT MAIL**

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Attention: Mr. Wilfred Shand

**RE: Response of Matrix Telecom, Inc. D/B/A Matrix Business Technologies  
(Docket T-03228A-06-0800) to Staff's First Set of Data Requests**

Dear Mr. Shand:

Matrix Telecom, Inc. D/B/A Matrix Business Technologies hereby provide the attached information in response to the Staff's first set of data requests in the above-referenced proceeding.

Enclosed are an original and 13 copies of this letter. Please stamp and return to me the additional copy provided for that purpose. Should you have any further questions regarding this proceeding, please do not hesitate to contact me.

Very truly yours,

Richard R. Cameron  
Attorney for Matrix Telecom, Inc.

Enclosures

Arizona Corporation Commission  
DOCKETED

MAY 17 2007

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STAFF'S FIRST SET OF DATA REQUESTS TO  
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES  
DOCKET NO. T-03228A-06-0800

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Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s). In order for Staff to continue with its review of this Application, the following information must be submitted:

JFB1-1 In Item (A-11), please identify the states impacted by the 13 orders issued by the FCC. For each state listed, please indicate the number of subscriber complaints, the substance of each complaint, FCC Orders that resolved any and all complaints and whether the complaints generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring.

*Please see the Attachment A, the spreadsheets detailing the information requested.*

In Item (A-11), please identify the states impacted by the Order of Forfeiture issued by the FCC. For each state listed, please indicate the events that produced complaints, the substance of each complaint, FCC Orders that resolved any and all complaints and whether the complaints generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring.

*Matrix Telecom Inc., d/b/a Matrix Business Technologies respectfully requests that the Commission take note that the Order of Forfeiture adopted by the FCC on February 8, 2001 was issued with respect to contributions to universal service support programs. As such, the Order of Forfeiture did not impact individual states. A copy of the Order of Forfeiture is attached herewith as Attachment B.*

In Item (A-11), please identify the states impacted by the Notice of Apparent Liability order issued by the FCC. For each state listed, please indicate the allegations that created complaints, the substance of each complaint, FCC Orders that resolved any and all complaints and whether the complaints generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring. Also, please provide a copy of the Consent Decree you referenced in your Application.

*On December 6, 1995, the FCC issued to Matrix a Notice of Apparent Liability for Forfeiture. The FCC preliminarily determined that Matrix had apparently violated Commission rules and orders by changing the PIC designated by Justo Benitez of Houston, Texas, without Benitez's authorization.*

*After reviewing the facts and circumstances surrounding the alleged violation, the FCC found Matrix apparently liable for forfeiture in the amount of forty thousand dollars (\$40,000). The Commission and Matrix thereafter entered into consent negotiations, agreeing to terminate the proceeding, entering into the consent decree.*

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*Matrix made a voluntary contribution to the United States Treasury in the total amount of \$30,000 (thirty thousand dollars) for the investigation of the alleged unauthorized conversion.*

*To remedy the situation and avoid complaints from re-occurring Matrix agreed that it would not submit to any LEC any PIC-change request unless Matrix has complied with all Commission rules and orders concerning PIC changes. It also agreed that it would continue to conduct sight inspections of each LOA. All LOAs received later than thirty (30) days after execution were to be automatically rejected. All incomplete LOAs (e.g. missing signature, date, or other required information) were to be either returned to the sales distributor or Matrix personnel to contact the prospective customer directly. Upon identifying any LOAs with similar signatures submitted by the same agent, one hundred percent (100%) of the LOAs submitted by that agent were to be rejected and that agent was to be barred from soliciting LOAs for Matrix until a determination was made as to the authenticity of the LOAs.*

*Matrix agreed that within thirty (30) days of the effective date of the Consent Decree, Matrix would verify a random twenty percent (20%) of all LOAs it received from its marketing organizations. Matrix arranged for verifications to be made by telephone, and several attempts were made to reach all of the end users on the random list. All conversations were to be recorded and archived. Upon identifying any forged or unauthorized LOAs, one hundred percent (100%) of LOAs submitted by the offending agent were to be rejected and that agent was to be barred from soliciting LOAs for Matrix. Six (6) months after the effective date of this Consent Decree, and every six (6) months thereafter for two (2) years, Matrix additionally agreed to submit a report to the FCC on the effectiveness of its mandatory verification program in reducing incidents of unauthorized conversion of consumers' primary interexchange carriers. Matrix agreed to continue sending a "Welcome Letter" to each new customer within 24 hours of processing the LOA. The "Welcome Letter" was to include Matrix's customer service toll free "800" number and contained a statement informing the customer that his or her long distance service has been changed to Matrix. A copy of the consent decree is attached herewith as Attachment C.*

In Item (A-11), please identify the states impacted by the letter of admonition issued by the FCC regarding the form of MTI's Letter of Agency. For each state listed, please indicate the customer complaint, the substance of its complaint, FCC Order that resolved any the complaint and whether the complaint generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring. Also, please provide a copy "Letter to Mr. Dennis Miga" you referenced in your Application.

*The state impacted by the letter of admonition issued by the FCC regarding the form of MTI's Letter of Agency was California. The Letter of Agency (LOA) was incorporated into an entry form to help community "kids" through participation in a drawing for a cellular phone and airline tickets sponsored by the Sacramento Surge*

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*and Kids at Risk Foundation. The print on the entry form indicated that the signor of the document would be a participant in Care Network's Matrix long distance service.*

*The nature of the complaint in question was slamming. MTI notes that the letter of admonition was issued in 1993. The accompanying FCC order is DA 93-886. A copy of the "Letter to Mr. Dennis Miga" referenced in the application is enclosed for the Commission's convenience as Attachment D.*

In Item (A-11), please identify the states that generated 28 informal complaints in 2006. For each state listed, please indicate the number of complaints, the substance of each complaint, Commission Orders that resolved any and all complaints and whether the complaints generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring.

*Please see the attached spreadsheets detailing the information requested. Please note, the chart only contains reference to 27 complaints. After thorough review, it was found that we previously erroneously included a Better Business Bureau complaint. Therefore, the Attachment E, lists correctly only 27 complaints*

JFB1-2 In Item (A-12), please disclose Platinum Equity, LLC's relationship with NextiraOne, LLC. Please disclose NextiraOne, LLC's relationship with MTI. What is the current status of NextiraOne, LLC? A number of schools and libraries involved in being over billed by NextiraOne for services provided to the tribes were located in Arizona. Please disclose how the Plea Agreement impacts the tribal schools and libraries in Arizona. Did the Plea Agreement generate any resolutions, fees, fines and/or changes in operation of the company? Please identify the benefits the tribal schools and libraries in Arizona received from Plea Agreement. Describe in detail any such judgments or convictions.

*Currently, Platinum Equity, LLC does not have a relationship with NextiraOne. In May of 2006, BlackBox Network Services issued a press release indicating that it had completed the purchase of both NextiraOne's USA and Canadian operations from Platinum Equity.*

*In April 2006, NextiraOne, LLC, was sentenced to pay \$4.6 million in fines and restitution for defrauding the E-Rate program and the Oglala Nation Educational Coalition member schools on the Pine Ridge Reservation in South Dakota. According to the single-count wire fraud indictment filed in U.S. District Court in South Dakota, the illegal practices included inflating equipment prices, submitting false and fraudulent invoices, and failure to install and deliver certain equipment and services originally billed to the E-Rate program. Nextira was assessed a \$1.9 million criminal fine and a civil settlement that requires the company to forfeit more than \$2.6 million in reimbursement for uncompensated work that was previously performed at other school districts.*

*The extent of NextiraOne, LLC's relationship with MTI has only consisted of previous common ownership. MTI was not party to nor was it named in any of the issues cited*

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*above. The foregoing information was derived by researching public information and were not a part of any of the company records or reports. As MTI was not part of the plea agreement, MTI has no knowledge as to the benefits tribal schools or libraries may have received from the same.*

- JFB1-3 In Item (A-14), please indicate if Applicant is willing to post a Performance Bond or irrevocable sight draft Letter of Credit? Please be advised that "No" is not an option.  
For Facilities-Based Providers of Local Exchange, a \$100,000 performance bond or irrevocable sight draft Letter of Credit will be recommended.

X Yes No

Note: Amounts are cumulative if the Applicant has more than one type of service.

- JFB1-4 In Item (A-18) you did not list the States in which the Applicant has had an application approved or denied to off telecommunications services similar to those that the Applicant will or intends to offer in Arizona. Please list the States.

*Please see the Attachment F- a list of approvals. Applicant has never had an application to provide telecommunications services denied.*

- JFB1-5 In Item (B-2) you did not include "Attachment D". Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

Also, please identify the person from the Commission's Staff that advised you that MTI did not need to submit Attachment "D". Does MTI have a confidentiality/protective agreement on file with the Legal Division of the Commission? If yes, please provide a signed copy of the confidentiality/protective agreement.

*For clarification purposes, staff did not advise us that we did not have to submit the information. We were advised that there was no way to submit the exhibits confidentially with the original application. It is our understanding that now that there is an open docket, we should put a protective order in place to cover both the historical and projected financial information before submitting these responses. We*

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*do not currently have a signed copy of a confidentiality/protective agreement. As soon as this protective agreement is in place, Matrix agrees to expedite disclosure of these documents to staff.*

JFB1-6 In Item (B-4) you did not provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

*Expected revenue is \$861,847*

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

*Assumed gross margin on revenue is 44.2%; operating expense would be \$480,911*

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

*There are no assets in Arizona. MTI's plan is to lease facilities. Therefore, it does not anticipate owning any Arizona jurisdictional assets during the first twelve months of operation.*

4. If the projected value of all assets is zero, please specifically state this in your response.

*There are no assets in Arizona. MTI's plan is to lease facilities. Therefore, it does not anticipate owning any Arizona jurisdictional assets during the first twelve months of operation.*

5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

*There are no assets in Arizona. MTI's plan is to lease facilities. Therefore, it does not anticipate owning any Arizona jurisdictional assets during the first twelve months of operation.*

Also, please identify the person from the Commission's Staff that advised you that MTI did not need to submit Attachment "E".

*Please see response to JFB1-5.*

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- JFB1-7 In Item (C-1) you indicated that you have a resale agreement in operation. Please reference the resale agreement by Commission Docket Number or Commission Decision Number.

*MTI currently has a resale agreement with a competitive local exchange carrier that is not subject to the same requirements under Sec. 251 and 252 of the Telecommunications Act as the incumbent local exchange carrier. This agreement was born out of the transaction approved by this Commission in Dockets T-03228A-05-0216; T-02438B-05-0216; T-03539A-05-0216; T-03658A-05-0216; Decision Number 68347 dated December 9, 2005.*

- JFB1-8 You have indicated that you want to provide facilities-based local exchange telecommunications services in Arizona. For each type of tariffed service, please answer the set of questions JFB1-9 through JFB1-12.

*Matrix's current tariffed services were inherited services that were created and priced by another company. In 2005, in Docket 05-0216, Decision 68347 mentioned above, Matrix purchased certain assets of Global Crossing et al. When that customer base was acquired, Matrix continued to bill the transferred customers under essentially the same terms and conditions of service as before the transfer. As such, all current tariffed Matrix local products were not the subject of Matrix based market analysis, margin analysis, cost support, etc.*

- JFB1-9 Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariff for facilities-based local exchange telecommunications services.

*Please see the response to JFB1-8*

- JFB1-10 Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Include supporting material and any other information that you believe demonstrates that your actual or proposed tariff rates and charges are just and reasonable.

**Use a matrix format to lists MTI's proposed services, rates and/or charges.** Based on the MTI tariff, list all the facilities-based based local exchange services MTI will provide in Arizona. For each of the facilities-based local exchange services listed, list the rate and/or charge of each service and reference each service, rate and/or charge to MTI's tariff. Provide MTI's tariff pages that support each MTI's services, rates and/or charges.

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**Use a matrix format to capture MTI's list of facilities-based local exchange services that will be provided in Arizona**, show each competitor's tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to each competitor's tariff. Provide tariff pages of each competitor that support each competitor's services, rates and/or charges offering the same or similar telecommunications services in Arizona.

At a minimum, show a complete set of tariff information of Qwest, Cox Telcom and two other competitors in Arizona. For a list of telecommunications carriers certificated in Arizona, go to [www.cc.state.az.us/utility/utility](http://www.cc.state.az.us/utility/utility). For a list of telecommunications carriers' tariff rates and charges, go to [www.cc.state.az.us/utility/tariffs](http://www.cc.state.az.us/utility/tariffs).

The material you provide should enable Staff to determine whether the proposed tariff rates and/or charges of the Applicant are identical or just and reasonable compared to other competitors offering the same or similar telecommunications services in Arizona.

*Please see the response to JFB1-8. Matrix does not intend that its current services and rates will be the rates and services that it ultimately provides via facilities based authority. Matrix does not currently have an underlying agreement with a wholesale provider. Therefore, it cannot at this time adequately address this question. However, it should be stated, Matrix does agree to provide to staff at their request adequate documentation when it seeks to add new services and products that are provided as a result of its expanded certification. Matrix will provide timely updated tariffs in accordance with Arizona rules and regulations.*

- JFB1-11 Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

*Please see the response to JFB1-8 and JFB1-10.*

- JFB1-12 **Use a matrix format to capture MTI's list of facilities-based local exchange services that will be provided in Arizona**. Identify other states/jurisdictions in which your company or an affiliate company is providing or applying to provide facilities-based local exchange telecommunications services.

For each facilities-based local exchange services that will be provided in Arizona, list MTI's or affiliates' rates and/or charges that are or will be charged in other states or jurisdictions. Show for each state or jurisdiction the tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to MTI's or each affiliate's tariff. Provide MTI's or affiliate's tariff pages that support MTI's or each affiliate's services, rates and/or charges that are or will be charged in other



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states or jurisdiction offering the same or similar telecommunications services in Arizona.

If there is a difference between the tariff rates and charges that MTI or an affiliate charges or will charge in Arizona and the tariff rates and charges that MTI or affiliate charges or will charge in other states or jurisdictions for facilities-based local exchange services: please identify the service, indicate the amount of the difference and explain why you are charging different tariff rates and charges in Arizona.

At a minimum, show a complete set of tariff information of Arizona three other states or jurisdiction.

The material you provide should enable Staff to determine whether the proposed tariff rates and/or charges of the Applicant are identical or just and reasonable compared to the tariff rates and charges that are or will be charged in other states or jurisdiction offering the same or similar telecommunications services in Arizona.

*Matrix has not yet filed changes to its tariffs in any other jurisdiction as a result of providing services via facilities based local exchange services. Therefore, we cannot address this question at this time. This is due to the same reasons cited above in JFB1-8 and JFB1-10.*

JFB1-13. Please submit a PDF file of your responses to this data request to [jbostwick@cc.state.az.us](mailto:jbostwick@cc.state.az.us).

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ATTACHMENT A

FCC Complaints

States Impacted by the 13 FCC Orders

FCC Order	Adoption Date	IC Number	Date of Complaint	State	Nature of Complaint	Resolution
DA 03-1237	4/28/2003	IC 02-S67670	1/16/2002	OR	Slamming	Complaint Denied
DA 03-1837	5/30/2003	IC 02-S67532	5/7/2001	Unknown	Slamming	Complaint Denied
DA 03-2125	7/2/2003	IC 02-S70803	3/18/2002	PA	Slamming	Complaint Denied
DA 04-2099	7/14/2004	IC 03-S82980	3/3/2003	Unknown	Slamming	Complaint Denied
DA 04-2192	7/23/2004	IC 03-S84194	6/11/2003	Unknown	Slamming	Complaint Denied
DA 04-2648	8/26/2004	IC 03-S84738	8/5/2003	Unknown	Slamming	Complaint Denied
DA 04-2821	8/31/2004	IC 10077518S	11/13/2003	Unknown	Slamming	Complaint Denied
DA 04-2941	9/13/2004	IC 03-S85202	10/3/2003	Unknown	Slamming	Complaint Denied
DA 04-3744	11/30/2004	IC 04-S87266	4/5/2004	IL	Slamming	Resolved
DA 05-1763	6/27/2005	IC 05-S89180	2/23/2005	MO	Slamming	Complaint Denied
DA 05-1830	6/29/2005	IC 05-S89316	4/5/2005	IL	Slamming	Complaint Denied
DA 05-3305	12/28/2005	IC 05-S0196661	9/22/2005	WI	Slamming	Complaint Denied
DA 06-2401	11/30/2006	IC 06-S0214134	1/9/2006	DE	Slamming	Complaint Denied

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**ATTACHMENT B**

**Order of Forfeiture**

) NAL/Acct. No. X32080022

<sup>4</sup> See *Amendment of Part 54 – Universal Service*, 12 FCC Rcd 22423, 22425 (1997); 47 C.F.R. §§ 54.709(a)(4), 54.709(d).

3. Matrix, an interstate telecommunications carrier, does not dispute its liability for universal service contributions. Since it began receiving invoices, Matrix has paid more than \$1 million dollars towards universal service. Matrix, however, has missed payments, underpaid its monthly invoices and failed to cure its arrearages. As a result, Matrix owed over \$1 million in universal service payments as of April 2000.

4. In February 2000, the Enforcement Bureau sent a letter to Matrix explaining that it was the subject of a potential enforcement action.<sup>5</sup> In its response, Matrix stated that it "wishes to ensure full compliance with the Commission's Rules and seeks to retire its outstanding universal service obligation as soon as practicable."<sup>6</sup> In a follow-up letter, Matrix reported that it had presented USAC with a payment plan designed to cure its arrearage in thirty-six months.<sup>7</sup> Matrix represented that each month it will pay an amount equal to its current monthly obligation and an additional \$21,500 toward the amount it is in arrears. Matrix began making payments pursuant to this plan in May 2000, prior to the issuance of the NAL in this matter.

### III. DISCUSSION

5. In the NAL, we found Matrix apparently liable for a forfeiture of \$113,000 based on its failure to make required universal service contributions in November and December 1999. In its response, Matrix asserts that the Commission should reduce or rescind the proposed forfeiture. Matrix contends that the amount of the forfeiture is too high in light of its efforts to pay its universal service contributions. Matrix also argues that its current financial condition will not permit it to pay a forfeiture of this size.

6. We disagree with Matrix's contention that the amount of the forfeiture is too high in light of its efforts to pay its universal service contributions. Matrix and other carriers that fail to pay required universal service contributions and accrue arrearages of the amounts present in this case are appropriately subject to commensurate forfeitures. In calculating the forfeiture amount in the NAL, we took into account Matrix's significant efforts to satisfy its universal service obligations. In recognition of those efforts, we applied a downward adjustment of \$76,614 to the proposed forfeiture, a reduction of over 40 percent. Consequently, we decline to reduce or rescind the proposed forfeiture amount.

7. We also disagree with Matrix's assertion that it is unable to pay a forfeiture of \$113,000. We have reviewed the financial information submitted by Matrix and find that Matrix has ample current assets to pay a forfeiture of this amount. The Commission previously has held that a licensee's gross revenues are generally the best indicator of its ability to pay a forfeiture. See, e.g., *Independent Communications, Inc.*, FCC 00-284 (released August 25, 2000) (a proposed forfeiture equal to one percent of the corporate licensee's gross revenues was not excessive and elimination or reduction of the forfeiture was not warranted even though the company operated at a loss); *PJB Communications of Virginia, Inc.*, 7 FCC Rcd 2088, 2089

<sup>5</sup> Letter from David H. Solomon, Chief, Enforcement Bureau, to Matrix Telecom, Inc. dated February 16, 2000.

<sup>6</sup> Letter from Thomas K. Crowe, Esq., counsel for Matrix to David H. Solomon, Chief, Enforcement Bureau, dated March 10, 2000.

<sup>7</sup> Letter from Todd Murcer, Manager of Business Development, Matrix Telecom, Inc. to Suzanne M. Tetreault, Assistant Chief, Enforcement Bureau, dated May 30, 2000.

(1992) (forfeiture not deemed excessive where it represented approximately 2.02 percent of the violator's gross revenues). The financial information provided by Matrix indicates that the proposed forfeiture amount is substantially less than one percent of Matrix's annual gross revenues. As we stated in the *Forfeiture Policy Statement*, forfeitures should not be simply an affordable cost of doing business.<sup>8</sup> We continue to believe that a forfeiture in the amount of \$113,000 is appropriate based on all the facts and circumstances of this case.

#### IV. ORDERING CLAUSES

8. Accordingly, IT IS ORDERED THAT, pursuant to Section 503(b) of the Act,<sup>9</sup> and Section 1.80(f)(4) of the Commission's rules,<sup>10</sup> Matrix IS LIABLE FOR A FORFEITURE in the amount of one hundred thirteen thousand dollars (\$113,000) for willfully and repeatedly violating Section 254 of the Act, 47 U.S.C. § 254, and Section 54.706 of the Commission's rules, 47 C.F.R. § 54.706.

9. Payment of the forfeiture shall be made in the manner provided for in Section 1.80 of the Commission's rules within 30 days of the release of this Forfeiture Order. If the forfeiture is not paid within the period specified, the Commission may refer the case to the Department of Justice for collection pursuant to Section 504(a) of the Act, 47 U.S.C. § 504(a). Matrix may pay the forfeiture by mailing a check or similar instrument, payable to the order of the Federal Communications Commission, to the Federal Communications Commission, P.O. Box 73482, Chicago, Illinois 60673-7482. The payment should note the NAL/Acct. No. referenced above. Requests for full payment under an installment plan should be sent to: Chief, Credit and Debt Management Center, 445 12th Street, S.W., Washington, D.C. 20554. See 47 C.F.R. § 1.1914.

10. IT IS FURTHER ORDERED THAT a copy of the Forfeiture Order shall be sent by Certified Mail Return Receipt Requested to Matrix's counsel, Thomas Crowe, Esq., 2300 M Street, N.W., Suite 800, Washington, D.C. 20037.

FEDERAL COMMUNICATIONS COMMISSION

Magalie Roman Salas  
Secretary

<sup>8</sup> *The Commission's Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, 12 FCC Rcd 17087, 17100-01 (1997), recon. denied, 15 FCC Rcd 303 (1999).

<sup>9</sup> 47 U.S.C. § 503(b).

<sup>10</sup> 47 C.F.R. § 1.80(f)(4).

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ATTACHMENT C

Consent Decree



Westlaw.

1996 WL 721159 (F.C.C.), 11 F.C.C.R. 21,539, 11 FCC Rcd 21,539  
(Cite as: 11 FCC Rcd. 21539)

**H**

Federal Communications Commission (F.C.C)

Order

IN THE MATTER OF MATRIX TELECOM, INC

File No. ENF-96-02

NAL/Acct. No. 616EF002

DA 96-2108

Adopted: December 12, 1996

Released: December 17, 1996

\*21539 By the Chief, Common Carrier Bureau

1. Prior to December 1995, the Enforcement Division of the Common Carrier Bureau ("The Bureau") began an investigation of Matrix Telecom, Inc. ("Matrix"), regarding possible violations of the Commission's policies and rules concerning primary inter-exchange carrier ("PIC") conversions. [FN1]

2. On December 6, 1995, the Bureau issued to Matrix a Notice of Apparent Liability for Forfeiture ("NAL") in the amount of forty thousand dollars (\$40,000) based on the Bureau's preliminary determination that Matrix had apparently willfully violated the Commission's PIC rules and orders. [FN2]

3. The Bureau and Matrix, by and through their respective counsel, entered into consent negotiations concerning Matrix's alleged violation and have reached an agreement that terminates the investigation. The terms and conditions of the agreement are set forth in the attached Consent Decree and such terms and conditions are incorporated herein by reference.

4. We have evaluated the circumstances of this matter and find that approval of the attached Consent Decree is in the public interest.

5. Accordingly, IT IS ORDERED, pursuant to Section 4(i) of the Communications Act, 47 U.S.C. § 154(i), and the authority delegated in Section 0.291 of the Commission's rules, \*21540 47 C.F.R. § 0.291, that the attached Consent Decree is hereby ADOPTED and that the above-captioned proceeding is thereby terminated.

FEDERAL COMMUNICATIONS COMMISSION

Regina M. Keeney

Chief

Common Carrier Bureau

FN1. See 47 C.F.R. §§ 64.1100, 64.1150; Policies and Rules Concerning Unauthorized

1996 WL 721159 (F.C.C.), 11 F.C.C.R. 21,539, 11 FCC Rcd 21,539  
(Cite as: 11 FCC Rcd. 21539)

Changes of Consumers' Long Distance Carriers, 10 FCC Rcd 9560 (1995), recon. pending; Policies and Rules Concerning Long Distance Carriers, 7 FCC Rcd 1038 (1992), recon. denied, 9 FCC Rcd 3215 (1993); Investigation of Access and Divestiture Related Tariffs, 101 FCC 2d 911 (1985), recon. denied, 102 FCC 2d 503 (1985); Investigation of Access and Divestiture Related Tariffs, Phase I, 101 FCC 2d 935 (1985).

FN2. Matrix Telecom, Inc., Notice of Apparent Liability, 11 FCC Rcd. 1258 (Com. Car. Bur. 1996).

#### CONSENT DECREE

1. The Common Carrier Bureau ("Bureau") of the Federal Communications Commission ("FCC" or "Commission") and Matrix Telecom, Inc. ("Matrix"), by their attorneys or authorized representatives, hereby enter into a Consent Decree terminating an FCC investigation concerning Matrix's alleged violation of the Commission's policies and rules regarding primary interexchange carrier ("PIC") conversions. [FN1] Matrix is a common carrier that provides interstate interexchange telecommunications services pursuant to tariffs on file with the Commission.

2. On December 6, 1995, the Bureau issued to Matrix a Notice of Apparent Liability for Forfeiture ("NAL"). [FN2] The Bureau preliminarily determined that Matrix had apparently violated Commission rules and orders by changing the PIC designated by Justo Benitez ("Benitez") of Houston, Texas, without Benitez's authorization. After reviewing the facts and circumstances surrounding the alleged violation, the Bureau found Matrix apparently liable for a forfeiture in the amount of forty thousand dollars (\$40,000). The Bureau and Matrix thereafter entered into consent negotiations and have agreed to terminate this proceeding pursuant to the terms and conditions set forth herein.

3. For the purposes of this Consent Decree the following definitions shall apply:

- a. "Commission" or "FCC" means the Federal Communications Commission;
- b. "Bureau" means the Common Carrier Bureau of the Federal Communications Commission;
- c. "Matrix" means Matrix Telecom, Inc., its successors and assigns;
- d. "Parties" means Matrix and the Bureau;
- e. "Adopting Order" means an Order of the Bureau adopting the terms and conditions of this Consent Decree;
- f. "PIC Change" is an order or request transmitted by an interexchange carrier to a local exchange carrier ("LEC") requesting a change of a customer's primary interexchange carrier ("PIC");
- g. "Letter of Agency" or "LOA" means a written authorization signed by the customer authorizing a PIC change;
- h. "Informal Complaint" or "Consumer Complaint" means a complaint filed with the Consumer Protection Branch of the Common Carrier Bureau's Enforcement Division under 47 C.F.R. § 1.716.

4 The Parties agree that the provisions of this Consent Decree shall be subject

to final approval by the Bureau by incorporation of such provisions by reference in an Adopting Order of the Bureau, and that adoption of such Order by the Bureau shall terminate the captioned proceeding.

5. The Parties agree that this Consent Decree shall become effective the date on which the Adopting Order is released by the Common Carrier Bureau. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Commission and any violation of the terms of this Consent Decree shall constitute a violation of a Commission Order entitling the Commission to exercise any and all rights and to seek any and all remedies authorized by law for the enforcement of a Commission Order.

6. Matrix admits that the Commission has jurisdiction over it and the subject matter of this action.

7. Matrix agrees to waive any further procedural steps and any rights it may have to seek judicial review or otherwise challenge or contest the validity of the Adopting Order or this Consent Decree.

8. Matrix agrees to waive any rights it may have under any provision of the Equal Access to Justice Act, 5 U.S.C. § 504.

9. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between Matrix and the Commission of the above-captioned NAL proceeding but agree that this Consent Decree is not dispositive of the rights of any complainant who has filed an informal complaint against Matrix and does not resolve those complaints or any matter(s) within the jurisdiction of any other federal agency.

10. The Parties agree that this Consent Decree is for settlement purposes and that Matrix does not admit any alleged violation or liability for the specific acts described in the NAL or in any informal complaints received by the Commission on or before the effective date of this Consent Decree. Indeed, Matrix expressly denies any such violation or liability.

11. Matrix shall make a voluntary contribution to the United States Treasury in the total amount of \$30,000 (thirty thousand dollars) for the investigation of the alleged unauthorized conversion within 30 days of the effective date of this Consent Decree. Such contribution shall be made, without further protest or recourse, by certified check, cashier's check, or money order drawn to the order of the Federal Communications Commission, shall reflect "FCC File No. ENF-96-02, NAL/Acct. No. 616EF002," and shall be mailed to the Forfeiture Collection Section, Finance Branch, Federal Communications Commission, P.O. Box 73482, Chicago, Illinois 60673-7482.

12. Matrix agrees that it shall not submit to any LEC any PIC-change request unless Matrix has complied with all Commission rules and orders, in effect, or as they may be hereafter modified or amended, concerning PIC changes.

13 Matrix agrees that it will continue to conduct sight inspections of each LOA

All LOAs received later than thirty (30) days after execution will be automatically rejected. All incomplete LOAs (e.g. missing signature, date, or other required information) will either be returned to the sales distributor or Matrix personnel will call the party directly. Upon identifying any LOAs with similar signatures submitted by the same agent, one hundred percent (100%) of the LOAs submitted by that agent will be rejected and that agent will be barred from soliciting LOAs for Matrix until a determination is made as to the authenticity of the LOAs.

14. Matrix agrees that within thirty (30) days of the effective date of this Consent Decree, Matrix will verify a random twenty percent (20%) of all LOAs it receives from its marketing organizations. Matrix will arrange for verifications to be made by telephone, and several attempts will be made to reach all of the end users on the random list. All conversations will be recorded and archived. Upon identifying any forged or unauthorized LOAs, one hundred percent (100%) of LOAs submitted by the offending agent will be rejected and that agent will be barred from soliciting LOAs for Matrix. Six (6) months after the effective date of this Consent Decree, and every six (6) months thereafter for two (2) years, Matrix agrees to submit a report to the Bureau on the effectiveness of its mandatory verification program in reducing incidents of unauthorized conversion of consumers' primary interexchange carriers. The report will include, but is not limited to, the number of PIC changes submitted by Matrix based on LOAs and what percentage of these PIC changes were disputed by the consumer, classification of the basis for the disputes, and classification of the dispute resolution, as well as a comparison of the number of PIC-change disputes under the twenty percent (20%) verification program with the number of PIC-change disputes generated before the verification program was initiated. Matrix reserves the right to claim that such reports are non-releasable proprietary information under the Freedom of Information Act, 5 U.S.C. § 552(b) and the Trade Secrets Act, 18 U.S.C. § 1905. The Bureau agrees to allow Matrix an opportunity to establish such claims in accordance with the Commission's rules at 47 C.F.R. §§ 0.457, 0.459.

15. Matrix agrees that it will continue to send a "Welcome Letter" to each new customer within 24 hours of processing the LOA. The "Welcome Letter" will include Matrix's customer service toll free "800" number and will contain a statement informing the customer that his or her long distance service has been changed to Matrix.

16. Matrix agrees that within thirty (30) days of the effective date of this Consent Decree, Matrix will send an amended distributor agreement to all companies currently under contract to act as sales distributors of Matrix services. The new agreement will provide for Matrix to have complete control over the form of the LOA and all marketing materials and will include a copy of the Commission's Letter of Agency Form and Content provisions, 47 C.F.R. § 64.1150. A copy of the amended agreement will be submitted to the Bureau's Enforcement Division within ten (10) days of its distribution. Matrix will further require each sales distributor to obtain a signed certification from each of its agents acknowledging their receipt and understanding of the agreement and the FCC provisions and that violation of either the agreement or the rules therein are grounds for immediate termination.

17. For two (2) years beginning on the effective date of this Consent Decree, Matrix agrees to maintain and make available to the Bureau, within fourteen (14) days of the receipt of a written request from the Bureau, business records demonstrating compliance with the terms and provisions of this Consent Decree, including, but not limited to, advertisements, sales scripts, manuals or presentations, written advisories to sales distributors and agents and required responses to those advisories, Letters of Agency, PIC-change records, billing records, and all consumer complaints including those filed directly with Matrix and those filed against Matrix in any local, state, or federal jurisdiction served or otherwise submitted to Matrix. The record of consumer complaints shall include the name, address and telephone number of each complainant. Matrix's response, and the final disposition of each complaint. The Bureau will entertain any request made by Matrix for an extension of time in which to comply with the Bureau's written request described herein.

18. Matrix represents that it has satisfied the complaint filed with the Commission by Justo Benitez that gave rise to the Bureau's NAL. See Matrix Telecom, Inc. Response to Notice of Apparent Liability for Forfeiture, File No. ENF-96-02, NAL/ Acct. No. 616EF002, dated January 26, 1996.

19. In light of the covenants and representations contained in this Consent Decree, and in express reliance thereon, the Bureau agrees that adoption of this Consent Decree shall serve to resolve all allegations that are the subject of the NAL issued in the above-captioned proceeding without any finding of liability on the part of Matrix. The Bureau further agrees that in the absence of substantial additional and material facts, the Bureau shall not on its own motion institute against Matrix new proceedings of any kind arising out of the PIC change submitted on behalf of Justo Benitez.

20. The Bureau further agrees that in the absence of substantial additional and material facts, it shall not on its own motion institute forfeiture proceedings against Matrix based on residential and small business customers' informal complaints of unauthorized LOA-generated PIC changes occurring before September 1, 1996. Consumer complaints generated during this time period will be served on Matrix under the procedures and rules governing such complaints and Matrix agrees to resolve these complaints to the extent required by the Communications Act and the Commission's rules and regulations. Except to the extent agreed herein, nothing in this Consent Decree shall prevent the Commission from adjudicating future complaints filed against Matrix, or from instituting a new investigation or enforcement proceedings against Matrix in the event of future misconduct, including the revocation of Matrix's blanket authority to function as a resale carrier.

21. The Parties agree that any provision of the Consent Decree, affected by or inconsistent with any subsequent rule or order adopted by the Commission, will be superseded by such Commission rule or order.

FOR THE COMMON CARRIER BUREAU OF THE FEDERAL COMMUNICATIONS COMMISSION

John B Muleta

1996 WL 721159 (F.C.C.), 11 F.C.C.R. 21,539, 11 FCC Rcd. 21,539  
(Cite as: 11 FCC Rcd. 21539)

Chief, Enforcement Division

Date 11/26/96

FOR MATRIX TELECOM, INC

Virginia Baker

Chief Financial Officer

Date 11/25/96

FN1. 47 C.F.R. §§ 64.1100, 64.1150; Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers, 10 FCC Rcd 9560 (1995), recon. pending; Policies and Rules Concerning Changing Long Distance Carriers, 7 FCC Rcd 1038 (1992), recon. denied, 8 FCC Rcd 3215 (1993); Investigation of Access and Divestiture Related Tariffs, 101 FCC 2d 911 (1985), recon. denied 102 FCC 2d 503 (1985); Investigation of Access and Divestiture Related Tariffs, 101 FCC 2d 935 (1985).

FN2. Matrix Telecom, Inc., Notice of Apparent Liability for Forfeiture, 11 FCC Rcd 1258 (Com. Car. Bur. 1996) ("NAL").

1996 WL 721159 (F.C.C. , 11 F.C.C.R. 21,539, 11 FCC Rcd. 21,539

END OF DOCUMENT

STAFF'S FIRST SET OF DATA REQUESTS TO  
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES  
DOCKET NO. T-03228A-06-0800

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ATTACHMENT D

Letter to Dennis Miga

Westlaw.

8 F.C.C.R. 5512

Page 1

1993 WL 764381 (F.C.C.), 73 Rad. Reg., 2d (P & F) 1248, 8 F.C.C.R. 5512, 8 FCC Rcd. 5512

(Cite as: 8 FCC Rcd. 5512)

C

Federal Communications Commission (F.C.C.)

Letter

MR. DENNIS MIGA

MANAGING PARTNER  
DA 93-886

August 9, 1993

Released: August 16, 1993

\*5512 Mr. Dennis Miga  
Managing Partner  
Matrix Telecom  
9003 Airport Freeway, Suite 340  
Fort Worth, Texas 76180

Dear Mr Miga

This constitutes a letter of admonition issued to Matrix Telecom (Matrix) pursuant to authority contained in Section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. § 154(i), because of a letter of agency (LOA) that Matrix used to convert consumers' long distance telephone service to its network.

The Commission received a complaint alleging that the complainant's long distance telephone service was switched from Sprint Communications Company L.P. to Matrix without his authorization. On December 28, 1992, the Informal Complaints Branch of the Common Carrier Bureau (Bureau) served a Notice of Informal Complaint (NOIC) on Matrix and Pacific Bell, the complainant's local exchange carrier, pursuant to Section 208 of the Communications Act, 47 U.S.C. § 208, and Section 1.711 of the Commission's Rules, 47 C.F.R. § 1.711. Under Section 1.717 of the Commission's Rules, 47 C.F.R. § 1.717, Matrix and Pacific Bell were directed to investigate the complaint and to advise the Commission in writing, with a copy to the complainant, of their satisfaction of the complaint or their refusal or inability to do so.

On January 30, 1993, Matrix responded to the NOIC. The Matrix response states that the complainant signed an LOA requesting Matrix's service and that the complainant is responsible for all charges billed while he was subscribed to Matrix's service. Matrix provided the Branch with a document ("the Matrix document") that it describes as an LOA, allegedly signed by the complainant.

The Matrix document is formatted primarily as an entry form to help community "kids" through the entrant's participating in a drawing for a cellular phone and airline tickets, rather than as a request to change long distance carriers. [FN1] The signature block on the Matrix document appears right after the information about



the drawing. The Matrix document also has a large drawing of a football helmet and the phrases "SACRAMENTO SURGE" and "KIDS AT RISK FOUNDATION" in very large, bold print. The information that is in bold print has nothing to do with conversion of an entrant's service to Matrix's long distance service. Consequently, some consumers may have been misled by the Matrix document and may have been persuaded to sign this document because of its primary focus on winning a prize and helping children.

The end of the Matrix document does contain a statement in small print that the signor of the document would be a participant in Care Network's Matrix long distance service. [FN2] The language contained in this portion of the document, however, does not appear to meet the Commission's minimal LOA conditions set forth in the Investigation of Access and Divestiture Related Tariffs, CC Docket No. 83-1145, 101 FCC 2d 911 (1985) (Allocation Order). [FN3]

Based upon its review of the Matrix response and documents, the Bureau is concerned about Matrix's compliance with the Commission's LOA procedures. [FN4] In particular, it appears that the Matrix document does not contain language specifying: (1) that the customer designates Matrix to act as the customer's agent for the pre-subscription process; (2) that the consumer understands that only one Interexchange Carrier (IXC) may be designated as the customer's primary IXC for any one telephone number and that selection of multiple carriers will invalidate all such selections; (3) that the customer understands that any primary IXC selection after the initial one will involve a charge to the customer; and (4) the telephone number(s) for which the primary IXC is being designated.

\*5513 The Matrix document falls short of the Commission's expectation of an LOA. Therefore, we strongly admonish Matrix regarding the use of this document, and others like it, to convert consumers' telephone service to its network. We expect Matrix to take immediate remedial steps to destroy all blank LOAs to convert consumers' long distance service to Matrix service that contain offers or inducements that are unrelated to a change in a customer's long distance service. This remedial action extends to Matrix and its officers, agents, affiliates and other persons acting for or employed by Matrix. Also, we expect Matrix to take the necessary actions to ensure that the dissemination and use of LOAs not in compliance with the Commission's procedures are not repeated. Further, we direct Matrix to submit to the Bureau an LOA that is in compliance with the Commission's LOA procedures. We will review the submitted LOA to ensure that the LOA is in compliance with the Commission's LOA procedures set forth in the Allocation Order.

The Matrix document states that the signor's rates will not go up as a result of the program described in the document. [FN5] Matrix is directed to explain in detail how it can guarantee that customers' rates will not increase over the rates of their existing carrier. If the rates of Matrix are higher, Matrix is directed to explain: (1) whether or not it re-rates each call to the rate of the carrier providing service to the customer before being switched to Matrix; (2) whether the rates for such calls are re-rated before a bill is issued to consumers; or (3) whether it re-rates the calls only upon receipt of a complaint.

1993 WL 764381 (F.C.C.), 73 Rad. Reg. 2d (P & F) 1248, 8 F.C.C.R. 5512, 8 FCC Rcd. 5512

(Cite as: 8 FCC Rcd. 5512)

Matrix has thirty (30) days from the release date of this letter to submit to the Bureau in writing the following: (1) a statement of the corrective action that it has taken regarding the matters addressed in this letter; (2) the information specified above regarding its rates; and (3) an LOA that is in compliance with the Commission's LOA procedures set forth in the Allocation Order. The written response should reference IC-93-08366.

We caution Matrix that further actions of the nature described herein may result in a finding that Section 201(b) of the Communications Act, 47 U.S.C. § 201(b), has been violated and may lead to show cause and/or forfeiture proceedings.

FEDERAL COMMUNICATIONS COMMISSION

Kathleen B. Levitz

Acting Chief

Common Carrier Bureau

FN1 The Matrix document states, in pertinent part:

YES, I would like to participate in the drawing for a cellular phone and airline tickets. I understand that I am also signing up to help kids in the community through a special program that will not cost me anything. I understand that I must be 18 years or older to participate.

FN2 The Matrix document states, in pertinent part:

I will be billed through my local phone company and my rate will not go up as a result of this program. Please sign me up. I want The Care Network to arrange for my residential long-distance service.

FN3 The Allocation Order established the following procedures for changing primary interexchange carriers (IXCs):

10. All IXCs may seek customer commitments to use their services and designate them as their primary IXC. All such commitments must be supported by a statement signed by the customer, which at a minimum recognizes these conditions.

10.1 The customer designates the IXC to act as the customer's agent for the pre-subscription process.

10.2 The customer understands that only one IXC may be designated as the customer's primary IXC for any one telephone number and that selection of multiple carriers will invalidate all such selections.

10.3 The customer understands that any primary IXC selection after the initial one will involve a charge to the customer.

10.4 The specific telephone number(s) for which the primary IXC is being designated must be listed.

Allocation Order, 101 FCC 2d at 929.

FN4 Id

FN5 See note 2 Supra

8 F.C.C.R. 5512

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1993 WL 764381 (F.C.C.), 73 Rad Reg. 2d (P & F) 1248, 8 F.C.C.R. 5512, 8 FCC Rcd. 5512

(Cite as: 8 FCC Rcd. 5512)

1993 WL 764381 (F.C.C.), 73 Rad Reg. 2d (P & F) 1248, 8 F.C.C.R. 5512, 8 FCC Rcd 5512

END OF DOCUMENT

STAFF'S FIRST SET OF DATA REQUESTS TO  
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES  
DOCKET NO. T-03228A-06-0800

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ATTACHMENT E

State Complaint List

Agency	State	Complaint Type/ Details	Complaint Resolution
1 PSC	AL	Billing	Customer was charged a monthly recurring charge in error. All charges were reversed at LEC level.
2 FCC	AZ	provisioning/billing	PUC for intrastate but not interstate worked when switching providers, credit issued for all services rendered in error.
3 PUC	CA	Contractual	Complaint contractual in nature regarding auto-renewal clause. Customer was charged a \$4 fee for 3-way calling by GC; Matrix acquired the account inaccurately configured. Credit was issued for full amount in question. All issues were resolved in the customer's favor.
4 PUC	CA	Billing	CSR indicated customer did not belong to us; attempts to change isp or txc could not be handled. Issue resolved; CSR corrected.
5 PUC	CA	Service	Customer billed after disconnect for MRC for 800#; Disco notice not received; Billing after services disco'd
6 PUC	CA	Billing	See Response to #5 above; CSR indicated customer did not belong to us; attempts to change isp or txc could not be handled. Issue resolved; CSR corrected.
7 PUC	CA	Billing	
8 FCC	CA	Billing	

9	FCC	Unknown	Billing	Customer was never ours, only past due amount (for 7/2005) was transferred to us; customer states she overpaid GC \$1790.88; we cannot address this, but will cease collections of the \$120.25
10	FCC	Unknown	Billing	transferred as active when account was cancelled in Nov as a Global customer and should never have transferred to Mainx. All charges were credited
11	CC	IL	Billing	No call detail for multi-point 800#; missing call detail was provided and billing was corrected
12	CC	KS	Billing	Customer's BXX number was pointed to our CS for a period of time. Calls disputed May, June and July. Customer received full credit; billing was corrected
13	PUC	ME	Billing	Customer was never ours; have requested copies of bills; alleged IEComm customer. USBI confirmed
14	PSC	MI	Slamming	Was never our customer; alleged slam unfounded.
15	PSC	MI	Billing	Customer left in May and never sent request to disconnect. Was billed past disco. Full credit given.
16	PUC	MN	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.

17 PUC	NY	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.
18 PSC	NY	Service	Customer called us to report his voice line was down, we only provided data services to the customer. The complaint was moot.
19 PUC	NY	Service	Complaint about service being down; service intermittent. Global Crossing was actual recipient.
20 PUC	OH	Billing/Service/Contractual	Misinformation regarding the existence of a contract. None exists. Service outage on 3/8/06. Customer was advised total outage in area code 614. 4/20, the customer called in and stated that voicemail was out as of 3/6 and did not become operational until 3/20/06. Credit was issued for service outage.
21 PUC	OH	Service	SAME COMPLAINT ISSUED TWICE - Provisioner disconnected all 4 lines instead of the two requested due to human error. reconnection was expedited and credit was issued.

22	PUC	OH	Service	SAME COMPLAINT ISSUED TWICE - Provisioner disconnected all 4 lines instead of the two requested due to human error; reconnection was expedited and credit was issued.
23	PUC	OH	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.
24	PUC	OR	Billing	Customer was charged a monthly recurring charge in error. All charges were reversed at LEC level.
25	CC	VA	Tax & Billing	This customer was inaccurately charged taxes; services were coded as local when digital; Taxes were in excess of \$200 when they should have been under \$5.00; full credit issued and taxing corrected
26	DPS	VT	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.
27	DPS	VT	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.



STAFF'S FIRST SET OF DATA REQUESTS TO  
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES  
DOCKET NO. T-03228A-06-0800

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ATTACHMENT F

State Approvals

**MATRIX  
LD/IXC AND CLEC/LEC  
CERTIFICATE STATUS**

No.	State	Cert	Effective Date	CLEC/LEC Docket #	Agency #	Authorization	Cert	Effective Date	CLEC/LEC Docket #	Agency #	Authorization	Cert	Effective Date	CLEC/LEC Docket #	Agency #	Comments
1	Alabama	Yes	9/16/2006	21793		Local / Expansion approved on 3/28/07 in same docket	Yes	5/10/1991	21793		Reseller of Interchange LD	Yes	5/10/1991	21793		(334) 242-5883
2	Alaska	No														
3	Arizona	Yes	12/9/2006	T-03238-A-05-0244		Expansion currently pending	Yes	5/16/2005	RX05027		LD Reseller	Yes	5/16/2005	RX05027		(607) 278-8222
4	Arkansas	Yes	8/24/2006	06-028-U		Competition Local Exchange	Yes	10/25/1990	97-037-U		Competitive Resold Interchange Reseller of Telecommunications	Yes	10/25/1990	97-037-U		(802) 364-0735
5	California	Yes	11/19/2006	06-03-023	U-5227-C	CPCN / Expansion currently pending Application A0812033; expect to be heard in June	Yes	12/19/1990	90-10-052		Reseller of Telecommunication	Yes	12/19/1990	90-10-052		(415) 703-1651
6	Colorado	Yes	6/1/2006	05A-1367		Local Exchange	Yes	2/25/1999	N/A		Toll Reseller Registration	Yes	2/25/1999	N/A		(303) 894-2000
7	Connecticut	Yes	5/11/2006	42127		Resell Local Exchange/Expansion approved Docket 07-01-15 3/30/07	Yes	11/14/1999	95-08-30		Reseller of Intrastate	Yes	11/14/1999	95-08-30		
8	Delaware	Yes	2/27/2007	07-5		Local Exchange	Yes	3/4/1997	95-319		Reseller of Interchange LD	Yes	3/4/1997	95-319		
9	District of Columbia	Yes	9/30/2006	TA-05-5-10		Telecommunications Services/Expansion approved Docket 07-5 2/27/07	Yes	10/9/1992	Cert # R-067		De-Regulated	Yes	10/9/1992	Cert # R-067		
10	Florida	Yes	5/20/2006	050200-TX		Local/Expansion completed Docket TA07-2 on 2/5/07	Yes	10/13/1994	94088-TI		Interchange Telecommunications	Yes	10/13/1994	94088-TI		
11	Georgia	Yes	5/2/2006	20457-U		CLEC	Yes	6/20/2006	06-0083		Resell Interchange	Yes	6/20/2006	06-0083		
12	Hawaii	Yes	8/20/2006	05-0063	21802	Interim CLEC/Expansion approved same docket on 2/23/07	Yes	11/7/1990	90-0334		Intrastate Telecom	Yes	11/7/1990	90-0334		(808) 596-2800
13	Idaho	Yes	4/5/2007	04AT-1-07-01		Certificate of Authority/Expansion still pending in Docket no 2007-0007	Yes	5/15/1996	40091		De-Regulated	Yes	5/15/1996	40091		(208) 334-0300
14	Illinois	Yes	7/13/2006	05-0213		Local	Yes	6/20/2006	06-0083		Reseller of LD	Yes	6/20/2006	06-0083		
15	Indiana	Yes	7/26/2006	42613		Local reseller/Expansion approved in Docket 07-0258 on 3/6/07	Yes	5/15/1996	40091		Reseller of LD	Yes	5/15/1996	40091		(317) 232-2708
16	Iowa	Yes	3/5/2007	TC1-07-1		Local	Yes	6/20/2006	06-0083		De-Regulated	Yes	6/20/2006	06-0083		
17	Kansas	Yes	7/8/2006	05-MXTC-467-GCC		Local Exchange & Exchange Acc	Yes	6/20/1995	191-589-U		Reseller of Telecommunications	Yes	6/20/1995	191-589-U		(615) 391-5655
18	Kentucky	Yes	5/10/2006	TF3-2005-00386		Local Exchange Reseller	Yes	3/13/1991	90-273		Reseller of Telecommunications	Yes	3/13/1991	90-273		(765) 271-3100
19	Louisiana	No	Currently pending			No Local	Yes	10/21/1990	N/A		Reseller Long Distance	Yes	10/21/1990	N/A		(502) 564-3940
20	Maine	Yes	1/6/2006	2005-768		CLEC/Expansion approved in Docket 2007-54 on 3/6/07	Yes	4/28/1997	95-585		Long Distance Reseller (Switchless)	Yes	4/28/1997	95-585		(207) 287-3831
21	Maryland	Yes	10/18/2006	09045		Resold Local Exchange/Expansion is currently pending	Yes	10/16/1990			Resell Intrastate	Yes	10/16/1990			(800) 201-7185
22	Massachusetts	Yes	6/12/2006			Tariff for local effective 6/1/2005	Yes	5/13/1991	90-247		Reseller	Yes	5/13/1991	90-247		(617) 565-3500
23	Michigan	Yes	8/20/2006	U-4470		Local Authority	Yes	6/17/1991	920359A-90-792		De-Regulated	Yes	6/17/1991	920359A-90-792		(517) 241-8203
24	Minnesota	Yes	6/21/2006	0A-05-480		Resold Local Exchange	Yes	11/20/1990	90-1A-0206		Resell Long Distance	Yes	11/20/1990	90-1A-0206		(651) 299-2533
25	Mississippi	Yes	5/22/2006	05-1A-0269		Reseller Intrast. Intral.ATA. Interex	Yes	1/18/2004	XA-3004-0256		Reseller of Telecommunications	Yes	1/18/2004	XA-3004-0256		
26	Missouri	Yes	10/31/2006	CA-2006-0380 (C)		Basic Local Telecommunication	Yes	2/19/1991	C-885		Interchange	Yes	2/19/1991	C-885		
27	Montana	Yes	8/28/2006	YC-2006-0947 (T)		Registered	Yes	11/16/1994	04-2018		Registered	Yes	11/16/1994	04-2018		
28	Nevada	Yes	6/10/2006	05-4008		Resold Interchange/Resold Basic/Expansion completed in Docket 05-12033 on 3/23/07	Yes	11/14/1993	22-473		Reseller of Telecommunications	Yes	11/14/1993	22-473		(402) 471-9101
29	Nevada	Yes	6/10/2006	05-4008		Local Exchange	Yes				Reseller of Interchange LD	Yes				
30	New Hampshire	Yes	5/16/2006	016-00145		De-Regulated/Expansion approved in Docket TE-06-12-0698 on 4/13/07	Yes	9/11/1992	91-403		Intrastate Toll	Yes	9/11/1992	91-403		
31	New Jersey	Yes	6/9/2006	Reseller		CLEC	Yes	9/11/1992	91-403		De-Regulated	Yes	9/11/1992	91-403		(609) 777-3300
32	New Mexico	Yes	5/20/2006	N/A		Unreimbursed Approval/Expansion completed by 3/23/07 in same docket	Yes	10/3/1990	90-C-0887		Non-Facilities Interchange	Yes	10/3/1990	90-C-0887		
33	New York	Yes	4/19/2006	05-C-0378		Local Exchange	Yes	12/18/1990	P-224		CPCN	Yes	12/18/1990	P-224		
34	North Carolina	Yes	3/1/2006	P-234-9		Local Exchange	Yes	9/10/1994	PL-1281-84-453		Reseller of Interchange LD	Yes	9/10/1994	PL-1281-84-453		(919) 733-7338
35	North Dakota	Yes	4/20/2006	PU-05-209		Local Exchange	Yes	5/6/2005	25-443-TP-ALE		Intrastate Long Distance Reseller	Yes	5/6/2005	25-443-TP-ALE		
36	Ohio	Yes	5/5/2006	09-443-TP-ALE		Local Exchange	Yes	5/6/2005	25-443-TP-ALE		Interchange	Yes	5/6/2005	25-443-TP-ALE		
37	Oklahoma	Yes	12/9/2006	200501161		Local Exchange	Yes	9/16/1997	413903		CPCN	Yes	9/16/1997	413903		
38	Oregon	Yes	5/18/2006	CP-1281-M-376		CLEC	Yes	9/11/1992	91-403		Competitive Provider	Yes	9/11/1992	91-403		(503) 378-6978
39	Pennsylvania	Yes	12/1/2006	A-310302F-0004		Resold Comp	Yes	9/11/1992	Certificate		Interchange reseller	Yes	9/11/1992	Certificate		(717) 787-4480

**MATRIX  
LD/IXC AND CLECLEC  
CERTIFICATE STATUS**

40	Missouri	Yes	1/12/1997	22821.5	Competitive Switchless Reseller Expansion completed Docket No. 3807 on 2/26/97	Yes	1/12/1997	22821.5	Competitive Switchless Reseller	(801) 641-4000	
41	South Carolina	Yes	6/29/2005	2005-98-C	Local Exchange Expansion completed on 4/5/07 in the same docket	Yes	12/19/1997	90-517-C	Reseller Telecommunications Interchange/Intrastate Reseller	(803) 808-5100 (803) 773-3201	
42	South Dakota	Yes	4/24/2007	TC07-006	Local	Yes	7/26/1991	TC01-017			
43	Tennessee	Yes/EC	5/16/2005	05-00383	Resell Local Expansion expected complete by mid-May / Hearing held 4/28/07 in Docket 07-3	Yes	10/13/1995	95-00315	Resell Interchange Long Distance	(615) 741-2904	
44	Texas	Yes	6/29/1997	17215	SPCO/A Expansion approved in Docket 33715 on 2/7/07	Yes	8/13/1990	XG10028	ICC	(512) 808-7000	
45	Utah	Yes	11/18/2005	05-2451-01	Local Exchange Services	Yes			De-Regulated	(802) 828-2356	
46	Vermont	Yes	7/6/2005	CP06-107-CR	Local Exchange Services	Yes	9/21/1992	107	CP05		
47	Virginia	Yes	12/22/2005	PJC-2005-00088	Local Exchange Telecomm Services Certified as Matrix Telecomm of Virginia, Inc.	Yes			De-Regulated	(804) 371-6420	
48	Washington	Yes	5/27/2005	UT-00020 CARL UT-000675 TR	Tariff for local effective 8/27/05	Yes	8/07/99	UT-010070	Reseller of Interstate		
49	West Virginia	Yes	8/15/2005	08-0416-1-CN 8/31/2001 7115-71-101	Resell Local Exchange Expansion was completed in Docket No. 97- 0054-T-CN on 3/29/07	Yes	5/5/1992	92-0001-T-CN	Interchange Long Distance	(304) 540-0802 (800) 267-6766	
50	Wisconsin		8/30/05	50-Cent-01	Tariff # 37328 Expansion approved in Docket no. 771544C-100 on 1/24/07	Yes	8/31/2001	7115-71-101 5-0002 50-Cent-01	Reseller of Interstate as an Alternative		
51	Wyoming	Yes	5/4/2005	70205-7A-05-1	Local Exchange Expansion completed on 2/26/07 in the same docket 70205-37A-7	Yes	1/2/1995	7A140-7A-05-1	Interchange Center		